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# THE DEPARTMENT OF STATE BULLETIN

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## *The American Republics*

### PAN AMERICAN DAY PROCLAMATION

[Released to the press by the White House]

#### PAN AMERICAN DAY AND THE FIFTIETH ANNIVERSARY OF THE FOUNDING OF THE PAN AMERICAN UNION

BY THE PRESIDENT OF THE UNITED STATES  
OF AMERICA

#### *A Proclamation*

WHEREAS in 1930 the Governing Board of the Pan American Union recommended that April 14 be designated as Pan American Day in all the American Republics, and that it be established as a commemorative symbol of the sovereignty of the American nations and the voluntary union of all in one continental community; and

WHEREAS during the past ten years Pan American Day has been annually observed and has increased in significance through its emphasis on the spirit of peace, friendship, and cooperation uniting the nations of the American Continent; and

WHEREAS in 1940 Pan American Day will be especially important because it will mark the Fiftieth Anniversary of the founding of the Pan American Union, the international organization of the twenty-one American Republics, which was established in accordance with a resolution adopted on April 14, 1890, by the First International Conference of American states and which, during the last half century, has constantly fostered the development of closer economic, cultural, and juridical

relations between the nations of the Western Hemisphere; and

WHEREAS it is most appropriate that the people of the United States should commemorate this significant occasion and thereby testify to the close bonds of friendship that unite the Government and people of the United States with those of the other republics of the American Continent;

NOW, THEREFORE, I, FRANKLIN D. ROOSEVELT, President of the United States of America, do hereby order that on April 14, 1940, the flag of the United States be displayed on all Government buildings, and do hereby invite the churches, the educational institutions, the civic associations, and the people of the United States generally to observe with appropriate commemorative ceremonies this Pan American Day and the Fiftieth Anniversary of the founding of the Pan American Union.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

DONE at the City of Washington this 12<sup>th</sup> day of February, in the year of our Lord nineteen hundred and forty, and of the  
[SEAL] Independence of the United States of America the one hundred and sixty-fourth.

FRANKLIN D. ROOSEVELT

By the President:

CORDELL HULL,

*Secretary of State.*

[No. 2386]

## THE DIPLOMATIC DEFENSE OF THE AMERICAS

Address by Assistant Secretary Berle<sup>1</sup>

[Released to the press February 15]

The real task, I take it, of diplomatic defense is to make military defense unnecessary. The proper aim of the conduct of foreign relations should be to create a state of affairs in which the national interest of all parties is protected, the structure of international organization is preserved, and the use of military force is unnecessary.

Consequently, when we talk about the diplomatic defense of the Americas we are not talking about a series of shifts or tricks. Still less do we contemplate shifting alliances, a juggle of forces resulting in a balance of power, or a set of stratagems. What we really mean is the endless and often unspectacular work of so handling the relations of the American family of nations that they shall be secure, independent, and free, both in their economic and in their political life. Nations which are safe and which rest on a sound economic foundation and which are free to carry their political and cultural evolution to the greatest height of which they are capable, are as nearly secure and defended as nations in this modern world can be.

I disclaim any expertness in military affairs. But I think you have been told by the military men that the United States is safe so long as no overseas power establishes a military base of operation on this hemisphere. By good fortune, this is also true of all our American neighbors. In the diplomatic field the same proposition holds. So long as the American family of nations conducts its own affairs, so long as no overseas power dominates the life of any part of the Americas, the hemisphere, in the present state of affairs, is diplomatically defended.

The events of the past few years have unhappily taught us that there may be other ways

of establishing domination than that of direct military conquest. The lesson is an old one. President Monroe, in formulating the famous Doctrine, recognized it when he paid his respects without saying so to the Holy Alliance—that group of West European powers which then dreamed of reestablishing the imperial system in the Americas. That is why the Monroe Doctrine refers not only to the actual taking of territory but also to the establishment of a foreign “system” within the New World. We have seen that same technique applied in recent years, chiefly by the use of propaganda and the attempt to organize groups within the country for the purpose of influencing or dominating its policy. The object, of course, is to deprive the country of its independence by seizing its government from within. Were such an attack made upon the Americas, the primary line of defense would be diplomatic rather than military.

In the pan-American group of nations we have rather definitely discarded certain of the Old World methods. This hemisphere has been less militarized than any similar area, with a like population, in modern history. When we speak to each other in the American family, it has to be with the voice of reason and common sense. All of us have not only renounced any right to intervene forcibly in our neighbor's affairs, but we have pledged ourselves to settle disputes within the continent by diplomacy, by the use of arbitration, or by international justice. These pledges are taken seriously.

Equally, we have not attempted the use of propaganda or organization of minorities. This is perhaps because the more we learn about the use of propaganda in other parts of the world, the less we like the result, and the less we are impressed with its ultimate usefulness. It is a healthy sign, on the whole, that the American Continent reacts against heavy doses of foreign doctrine. Occasionally,

<sup>1</sup> Delivered at the New York *Herald-Tribune* Forum Inter-American Conference, February 15, 1940.



our own Government is asked why, when other countries resort to high-pressure propaganda methods, we do not meet that sort of activity on its own ground. So far as the United States is concerned, we have felt, first, that we do not wish to make use of that sort of weapon because of its essential dishonesty; and second, that from a highly practical point of view, we doubt that such propaganda would be effective, were we to try. Instead, we have steadily endeavored to pursue the line of seeking common understanding; and the method of doing this is the real subject for this talk this afternoon.

You all have in mind, I am sure, the background of the diplomacy of the Americas. After the liberation of most of South America from the Spanish Empire, and of the great Republic of Brazil from Portugal, the conception arose of a grouping of nations covering the entire New World. Originally it was little more than a dream; and it is attributed to Simon Bolívar. It was understood that the nations which had established themselves intended to be independent and sovereign; but it was equally realized that the bonds between the nations of the New World were unusually strong. Beneath that there was a fervent desire to escape from the tragic cycle of conquest and reconquest, of wars of aggression followed by wars of revenge, of sterile campaigns by each nation to establish a dominant position, only to lose it a few years later. The Old World, just after the Napoleonic Wars, was not very much more inspiring than it is today; and the three Americas sought escape from that seemingly endless prison house of continual warfare.

So there arose the system of inter-American conferences. They began slowly and haltingly; at times, the possibility of hemispheric cooperation seemed almost dead. Yet, through the years, statesmen, writers, philosophers, and public-spirited groups like your own declined to let the idea die. Slowly, it gathered headway. Half a century ago, it was given added impetus by the organization of the Pan American Union, which celebrates its fiftieth birthday in a few weeks.

With this came the series of systematic inter-American conferences which, as you all know, take place every 4 or 5 years, though occasionally special conferences are called where there is unusual work to be done. Already we begin to see the system emerging. We do not have international conferences in the New World for the purpose of ending wars. We have them for the purpose of maintaining and defending our peace—a radically different idea.

I need not recount here the long history by which the principles of the American family were forged out—a sort of informal constitution to which the New World already subscribed. It is enough to say that today the juridical equality of all of the 21 states is recognized: small and large, strong and weak. In like measure, the use of force as between this group has been renounced; orderly processes for the settlement of disputes exist; and the right of intervention by any of us in the affairs of any others of us has been ended. We have thus begun to work out the essential principles of the Cooperative Peace, which is the great contribution of the western world to the conduct of foreign affairs. The diplomatic defense of the Americas is, in essence, the proper working of the Cooperative Peace.

Disturbed conditions in world affairs have forced a new development in the past few years. New doctrines—or more accurately, old doctrines in new dress—have once more dominated the international scene. There have been claims that the possession of great force entitled the possessor to mastery of the world. There have been claims that certain races were born to rule and others to serve. There has been talk of an international dictatorship, in which the dictator appeared to be the only solid certainty. The names have varied, but the effect has been unhappily all too plain: a world in which peace ceased to exist save by grace of some conqueror. Waves of these forces washed across the oceans and were felt in the American Continent. Plainly, it was time that the American family of nations should consider not only its internal organization but the position it should take with regard to world affairs.

That is precisely what happened. At Buenos Aires in 1936 the watchword was inter-American solidarity, and the method by which it was to be maintained was consultation between the American powers. At the conference in Lima, in 1938, the Declaration of Lima asserted the intent of the American nations to defend and maintain their independent institutions against all comers and to cooperate to that end, consulting as to the measures which might be necessary, whenever it appeared that the American peace might be disturbed. By now the American group has not only an internal principle of organization, but an external policy of defense; a policy which stands it in good stead at a time when the foundations of the Old World seem to be crumbling.

The Cooperative Peace which is our diplomatic defense involves certain outstanding obligations. For, if we mean what we say, any member of the American family of nations is entitled as a right to request consideration of its problems by the whole group, whenever it considers itself in serious difficulty. If, for example, any American nation should be put in a position where in order to live it had to yield its independent control of its own affairs to an overseas power, all the Americas would be concerned. If, to avoid that, such an American nation asked help from its American fellows, all would be obliged to see what, if anything, they could do to meet the situation. Many of these obligations fall most heavily upon the United States, which happens to be the most populous and the wealthiest of the group. Our very ability to assist imposes, as I see it, an obligation on us to give help wherever we properly can.

In consequence, the diplomatic defense of the Americas is an almost continuous process. It goes on in endless ways which achieve little publicity but are vitally important. You would find, for example, conferences on public health; indeed, the United States Public Health Service is almost as well known in much of South America as the American diplomatic service. You would find one country asking a mission from another American coun-

try to reorganize police methods, and getting it. You would find that we send our own representatives to conferences on archeology and Indian affairs, to communicate the results of our own studies, and still more, to draw information and wisdom from the many students of like affairs in Central and South America. You would find inter-American engineers giving their services when requested to lay out roads—as, for instance, the great pan-American highway which will eventually link the Americas from the Canadian border to the Argentine. You would find that there is a Committee on Women's Affairs, under the chairmanship of a distinguished Argentine lady, Señorita Martinez Guerrero, and on which the United States is ably represented by Miss Mary Winslow, best known for her work in the League of Women Voters and the Women's Trade Union League. You would find that in inter-American matters, both technical and diplomatic, South Americans work side by side with the United States; and you would find South American doctors working in American hospitals. Were I merely to give the list of the constant, continuous, and day-to-day activities which go on within the inter-American group, the time would be exhausted.

I do not hesitate to emphasize these matters, because they are fundamental. They are less spectacular than certain of the events to which I shall presently refer, but they represent the long-range and continuing work on which the Cooperative Peace, and with it the hemispheric defense, must ultimately rest.

Yet there are occasions in which the defense of the Americas comes into the strictly diplomatic field. A notable illustration of this was the consultation of Panamá held at the instance of a number of American republics, including our own, directly after the outbreak of war. The primary concern of that consultation was to prevent the American peace from being threatened by the processes of the European war. The consultation, which included most of the foreign ministers of the continent, found no difficulty in declaring that in this hemisphere at least the rights of peaceful neu-

trals must be paramount to the rights of belligerents. It was agreed, accordingly, that they should maintain constant contact, with a view to making certain that the European war did not wash up onto our shores. The declaration of Panamá set out that assertion: a clean-cut, forthright statement that in this hemisphere peaceful communication of neutrals must not be sacrificed to the exigency of foreign warfare. Further, it appeared perfectly feasible, and the event seems to have proved, that the use of force is unnecessary to achieve that result so long as the American group of nations act together. To that is due, in large measure, the relative absence of conflict near American shores. Thus far, we have been free of warfare to a far greater extent than in the first World War.

But this diplomatic achievement—which represents the highest point yet reached in the solidarity of the Americas—naturally required something more than mere words. For that reason, two more or less permanent committees have been set up: One, an Inter-American Committee on Neutrality, which is in session at Rio; the other, an Inter-American Advisory Committee on Economic Affairs, which is in session at Washington. You readily see why both are necessary. No one can predict the type of problem that will arise when the rest of the world is engaged in war and when the eddies of that war may appear at any time across the ocean. Constant contact and swift decision may be needed; and may I add, the continuous application of measures which make it unprofitable for anyone to attempt to wage war on this side of the ocean. Decisions of this kind are made in the first instance by the Committee on Neutrality at Rio.

In like manner, defense of the Americas involves assuring to the nations of this hemisphere a reasonably undisturbed economic life so far as that is possible in an upset world. The Inter-American Advisory Committee sitting at Washington was charged with endeavoring to do something about that. In consequence that Committee assumed the task

of examining communications, shipping, the possible organization of markets, where there had been a sudden stoppage of normal trade. It considered the problem of finance and worked out and adopted a project for an Inter-American Bank, which has now been submitted to the 21 governments for suggestion and ratification. If this project is brought to a successful conclusion, it is possible that a new and highly significant piece of international machinery may have been brought into existence—a method by which movements of capital from countries which have capital to countries which need it may be made co-operative instead of monopolistic. It was this that led the Chilean delegate to the Inter-American Advisory Committee to observe that it might well be that the creation of an Inter-American Bank would prove the greatest inter-American development since the enunciation of the Monroe Doctrine.

The exploits of inter-American diplomacy do not create great heroes in the ordinary sense of that word. They do something much more fundamental. They create groups of friends. If they are successful, they offer to the world a living demonstration that international affairs can be carried on without threat, without intrigue, and without fear. They offer the picture of a continent which is quite able to use force where force is needed, but which has found a better and a more effective way. The whole course of inter-American life is designed not to build empires but to build life. In proportion as this type of defense is successful, it is reflected in better living conditions for millions of people to whom diplomacy is but a word. We are sometimes laughed at from overseas as being too simple, too trustful of human nature. To this I can only answer that as a result of this trust in fundamental moral principles the Western Hemisphere is better defended today than any other part of the earth's surface; and that it can match its record against the rest of the world with a pride which comes not merely from its power but from its peaceful achievements.



## COOPERATION BETWEEN THE UNITED STATES AND THE OTHER AMERICAN REPUBLICS

### The Loan of Civilian Technical and Administrative Experts<sup>2</sup>

The law authorizing the loan of the services of civilian officials of the United States to the governments of the other American republics was enacted by the United States Congress in 1938,<sup>3</sup> in response to recommendations framed by the Department of State and endorsed by President Roosevelt. Thereunder the President is empowered to make available on request the services of technical and administrative experts in the employ of the United States, for duty abroad for an initial period of 1 year, which period can, however, be extended should the government concerned so desire.

This measure was framed as a contribution toward the successful development of the program of cooperation between the United States and the other American republics, and it evoked such immediate interest that the Interdepartmental Committee which undertook a survey of the various avenues of government collaboration reported to President Roosevelt in November 1938<sup>4</sup> that the law might well become the "cornerstone on which many future cooperative efforts of a practical nature will be based." That this does not appear to have been an overstatement is attested by the fact that in the year and a half since the original law was enacted, 9 governments have availed themselves of its provisions, and 20 separate assignments totaling 83 months of service abroad have been made.

The ground covered by these assignments represents a substantial area in the field of

practical collaboration, including the furnishing of advisory services in highway engineering and road building, immigration procedure, taxation and monetary problems, customs administration, problems of agricultural economy, fisheries resources and their conservation, patrol-boat operation, and library reorganization. A number of further requests are receiving consideration at the present time, while favorable action on certain others was not possible because of limitations of personnel or resources in the pertinent government office. The correspondence and related activities incident to the administration of the act have become so considerable as to occupy much of the time of one of the officers of the Division of the American Republics in the Department of State.

With respect to the question of reimbursement by other governments for the services rendered, the provisions of the law were purposely drafted to provide as great a degree of flexibility as possible, with a view to meeting in each specific case the desires of the government wishing to avail itself of the services. Thus it is provided that all remuneration to the individual officer concerned shall continue to be paid by the United States Government (that is, that no compensation whatever may be accepted by an officer from a foreign government), but that should a foreign government desire to reimburse the Government of the United States in whole or in part for the expenses of the detail, the President is authorized to accept such reimbursement. Arrangements as to reimbursement are customarily agreed upon in advance of an assignment through informal discussion, and the President is authorized by the law to accept whatever

<sup>2</sup> Reprint of an article by Ellis O. Briggs, Assistant Chief of the Division of the American Republics, Department of State, which appeared in the *Bulletin of the Pan American Union*, Vol. LXXIV, No. 1, January 1940.

<sup>3</sup> Act of May 25, 1938, as amended by Public, No. 63, 76th Cong., approved May 3, 1939.

<sup>4</sup> See *Press Releases* of December 3, 1938 (Vol. XIX, No. 479), pp. 385-398.

mutually satisfactory contribution the other government may wish to make.

In a large majority of the assignments thus far, a substantial part of the cost has been defrayed by the country utilizing the services. This in turn has made possible these temporary details within the general appropriations available to the bureaus and agencies in question, since the law as amended in 1939 authorizes the allocation of funds received from foreign governments as reimbursement, to the credit of the agency or department furnishing the services. Although in some instances these details have represented a sacrifice to the bureau or office involved (in that the duties customarily performed by one of its officers have had to be undertaken by others during the period of his absence from the United States), all branches of the Government have cooperated loyally toward acceding to requests received and in making members of their personnel available for cooperative work.

The procedure involved in making an assignment under Public No. 63 is usually for the diplomatic mission in Washington of the country concerned to make informal inquiry of the Division of the American Republics of the Department of State, indicating the type of service, the qualifications required, and the approximate period of the detail. Such an inquiry, however, is not infrequently received in the first instance by a United States diplomatic or consular officer in another American republic, in which case it is forwarded to Washington for attention.

Upon the receipt of an inquiry, the Department of State ascertains whether an officer having the desired technical qualifications and experience is available in Government employ, and whether his services can be spared for the anticipated period of the detail. The roster of possible candidates is by no means confined to persons serving in the District of Columbia, many of the agencies of the United States Government possessing field services and other specially trained personnel serving in other parts of the country. In one case involving

the request for several specialists to collaborate in surveying various phases of the national economy of one of the American republics, experts were obtained from three separate branches of the United States Government, and a mission of five persons was dispatched to undertake the work.

Investigation in response to an inquiry having been completed, the interested Washington diplomatic mission is informed and thereupon makes a formal written request to the Secretary of State. Each case is submitted to the White House for final approval, and the President has taken a keen personal interest not only in the assignments themselves, but also in the details of each arrangement and in the success of the work subsequently carried out abroad. Questions involving the acceptance of reimbursement from other governments are likewise submitted to the President for his approval.

Instructions are issued by the Secretary of State to each officer detailed for duty abroad informing him of his selection by the President and of the scope and probable duration of his duties. A copy of these orders is sent simultaneously to the appropriate United States ambassador or minister, who is requested to inform the government to which he is accredited of the date of arrival of the officer and thereafter to cooperate with him in every way toward the successful execution of the assignment.

In the view of the Interdepartmental Committee on Cooperation with the American Republics—a body organized at the instance of the President in May 1938, which now includes 16 separate agencies of the United States Government—it would be difficult to overestimate the value of the cooperation thus far obtained, notwithstanding the fact that the authorizing legislation has been in existence for less than 2 years. The various problems, solution of which has been undertaken within its scope, have been of genuine reciprocal interest, and the officers of the United States who have served abroad considered it a privilege to meet and work with officials engaged in sim-



ilar activities in other countries. The advantages from such associations are obvious. Relations of mutual confidence and personal friendship have been established which endure beyond the limited periods of the details themselves. Much of the work is of a continuing nature, and these assignments have not infrequently resulted in subsequent visits to the United States on the part of chiefs of bureaus and other responsible officials of neighboring governments, thus giving officers in Washington a welcome opportunity to repay the hospitality received from their friends in the south.

The act is a concrete demonstration of practical collaboration, in a widening field of joint inter-American effort; it involves partners working in confidence and friendship, in a peaceful American world.

### PROVISIONAL COMMERCIAL AGREEMENT WITH CHILE

An announcement regarding the provisional commercial agreement between the United States and Chile effected by exchange of notes on January 6 and February 1, 1938, appears in this *Bulletin* under the heading "Treaty Information."

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### RATIFICATION BY MEXICO OF THE NORTH AMERICAN REGIONAL BROADCASTING AGREEMENT

An announcement regarding the ratification by Mexico of the North American Regional Broadcasting Agreement, signed at Habana on December 13, 1937, appears in this *Bulletin* under the heading "Treaty Information."

## Europe

### VISIT OF SUMNER WELLES TO EUROPE

[Released to the press February 14]

Following is a statement by the Secretary of State:

"This news item<sup>5</sup> seems to be one more attempt at trouble making. I think the President and I have agreed on policies and methods pertaining to our foreign affairs as nearly uniformly as any other two persons who have occupied our respective positions. Nothing out of the ordinary occurred in the discussions and conferences between us leading to the announcements made by the President of the special mission to Europe, and later by myself

relating to the problems of economic restoration and of disarmament after the war.

"As to Mr. Welles, I regard him as one of my most trusted personal friends and loyal co-workers, and it is always in that spirit that we discuss the various phases of our duties and problems. I do not think a more capable person could be sent upon the proposed European mission than Mr. Welles."

<sup>5</sup> An article by the chief of the Washington Bureau of the *Chicago Tribune* which appeared in the *Washington Times-Herald* on the subject of the special mission to Europe of the Under Secretary of State, Mr. Sumner Welles.

**LITHUANIA: NATIONAL  
ANNIVERSARY**

[Released to the press February 16]

The President has sent the following telegram to the President of the Republic of Lithuania, Antanas Smetona:

"FEBRUARY 16, 1940.

"Please accept my cordial greetings on this national anniversary of Lithuania and my sincere good wishes for the welfare of your fellow countrymen.

FRANKLIN D. ROOSEVELT"

## *The Near East*

### PRESENTATION OF LETTERS OF CREDENCE

#### The Minister of Greece

[Released to the press February 13]

*Remarks of the newly appointed Minister of Greece, Mr. Cimon P. Diamantopoulos, upon the occasion of the presentation of his letters of credence:*

#### MR. PRESIDENT:

In remitting to Your Excellency my credentials as Envoy Extraordinary and Minister Plenipotentiary of Greece to the United States as well as the letters of recall of my distinguished predecessor, Mr. D. Sicilianos, I am charged by His Majesty the King of the Hellenes personally to express to you the sentiments of gratitude which the Greek people will never cease to have toward the Government and the great American Nation for the moral and material assistance they have always extended in many circumstances to the Greek Nation especially during the last 20 years.

Premier Metaxas equally instructed me to convey to you, Mr. President, his personal homage and the assurance of the admiration, friendship, and sentiments of gratitude which the Hellenic Nation feels for the noble American people.

Very proud and happy of my mission, I beg to assure you that I will do my utmost for the strengthening of the friendly relations which, very fortunately, exist between the United States and the Kingdom of Greece and to express my heartiest wishes for the welfare

of the glorious Republic of the United States as well as for your personal happiness.

*President Roosevelt's reply to the remarks of Mr. Cimon P. Diamantopoulos:*

#### MR. MINISTER:

It gives me great pleasure to receive from your hands the letters of His Majesty the King of the Hellenes accrediting you as Envoy Extraordinary and Minister Plenipotentiary near the Government of the United States. I also accept the letters of recall of your distinguished predecessor, Mr. Demetrios Sicilianos.

The sentiments which His Majesty has so graciously expressed toward the Government and people of the United States through you are most deeply appreciated. I request you to convey to His Majesty my warmest personal regards. I also request you to convey to Premier Metaxas an expression of my appreciation for his greetings and friendly sentiments.

The American people are ever cognizant of their priceless heritage of culture and enlightenment from ancient Greece, where the earliest institutions of democracy flourished. They are no less aware of the strong bonds which link our two countries at the present time, notably through the contributions of Greece to our citizenry. I reciprocate most heartily your wishes for a continuation and strengthening of the friendly relations so

happily existing between your country and my own, and assure you of the readiness of the American Government to cooperate with you to this end.

I welcome you, Mr. Minister, as His Hellenic Majesty's representative in the United States, and sincerely trust that your residence among us will be agreeable.

### The Minister of Iran

[Released to the press February 13]

*Translation of remarks of the newly appointed Minister of Iran, Mr. Mohammed Schayesteh, upon the occasion of the presentation of his letters of credence:*

MR. PRESIDENT:

I have the honor to hand to Your Excellency, together with the letter of recall of my predecessor, the letter by which His Imperial Majesty my August Sovereign has deigned to name me as his Minister near Your Excellency.

The sincere desire of His Imperial Majesty to see the bonds of fraternity between our two countries made closer and the efforts made to this end by the Imperial Government have already traced my line of conduct, at the same time facilitating my high task. Thus, trusting in Your Excellency's benevolence and relying upon the spirit of peace and upon the support of the Government of the Republic, I am persuaded that the relations of friendship and good understanding uniting our two countries will be, to our mutual interest, more and more consolidated.

It is unnecessary for me to say that, to bring to a good end the high mission entrusted to me, I shall exhibit the greatest zeal and I am sure that, in the exercise of my high duties, Your Excellency's benevolence and the collaboration of the Government of the Republic are entirely mine.

*President Roosevelt's reply to the remarks of Mr. Mohammed Schayesteh:*

MR. MINISTER:

It gives me great pleasure to receive from your hands the letter whereby His Imperial Majesty the Shah-in-Shah accredits you as

Envoy Extraordinary and Minister Plenipotentiary of Iran near the Government of the United States of America. I accept also the letter by which His Imperial Majesty has recalled your distinguished predecessor.

The desire of your Sovereign that you devote your efforts toward cementing the bonds of friendship between our two countries is highly gratifying to me. The great contribution which Iran has made in the past to our common civilization is too well known to need any emphasis. It is in the light of that contribution, however, that I have followed with particular interest the more recent far-reaching social and economic reforms of your country under the inspiration of His Majesty the Shah-in-Shah.

You may be assured that, in the execution of your high mission, you will receive the friendly cooperation of the officials of this Government and my own personal support at all times.

I shall be most grateful if you will convey to His Imperial Majesty the Shah-in-Shah my friendly sentiments for him and my sincere wishes for the happiness and prosperity of the Iranian people. It is my sincere hope, Mr. Minister, that your sojourn in Washington among us will be agreeable to you in every way.

♦ ♦ ♦

### EGYPT: BIRTHDAY OF THE KING

[Released to the press February 12]

The President has sent the following telegram to the King of Egypt, Farouk I:

"FEBRUARY 11, 1940.

"Upon this anniversary of Your Majesty's birth I am happy to extend my heartiest con-

gratulations and my sincere best wishes for Your Majesty's health and happiness.

FRANKLIN D. ROOSEVELT"

[Released to the press February 13]

Following is a translation of a message received by the President from the King of Egypt:

"ABDINE PALACE,  
CAIRO, February 12, 1940.

"Deeply touched by the friendly wishes and congratulations which Your Excellency expresses to me on the occasion of my anniversary I address to you all my thanks and my most cordial wishes for your happiness and prosperity.

FAROUK R."

## CANADA: DEATH OF THE GOVERNOR GENERAL

[Released to the press February 11]

The President has sent the following message to the Lady Tweedsmuir, widow of the former Governor-General of Canada:

"FEBRUARY 11, 1940.

"I was shocked and deeply grieved to learn of Lord Tweedsmuir's death. Mrs. Roosevelt and I recall with pleasure and affection meetings with Lord Tweedsmuir and you and send you our sincere sympathy in your great loss.

FRANKLIN D. ROOSEVELT"

The Secretary of State has sent the following message to the Lady Tweedsmuir:

"FEBRUARY 11, 1940.

"I have learned with great sorrow of your distinguished husband's death. Mrs. Hull joins with me in sending you an expression of our deepest sympathy.

CORDELL HULL"

The Secretary of State has sent the following message to William Lyon Mackenzie King, Prime Minister of Canada:

"FEBRUARY 11, 1940.

"In Lord Tweedsmuir's untimely death Canada has suffered a great loss, and in the name of the Government and the people of the United States I send you a message of deepest sympathy. It was my privilege to know Lord Tweedsmuir and to admire him as a public spirited official, an outstanding figure in the field of letters and a warm personal friend. His death has filled me with sadness.

CORDELL HULL"

[Released to the press February 13]

The Secretary of State received the following telegram the night of February 12 from the Prime Minister of Canada:

"OTTAWA, ONTARIO,  
February 12, 1940.

"The Honorable CORDELL HULL:

"My colleagues and I deeply appreciate your message of sympathy sent in the name of the Government and people of the United States. Our appreciation of its words will be shared in equal measure by the people of the Dominion. Canadians and Americans alike have lost a great man who nobly enriched our common literature and dedicated so much of his life to the strengthening of our mutual friendship. Your own personal sorrow reveals the place Lord Tweedsmuir came to have in the hearts of those of your countrymen who were privileged to enjoy his friendship. The personal regard which he had for you was very deep indeed. It is a consolation to recall at this time the close friendship Lord Tweedsmuir enjoyed with the President and yourself and the many occasions on which in the happiest ways it entered into our conversations.

W. L. MACKENZIE KING"

## *The Far East*

### JAPAN: NATIONAL ANNIVERSARY

[Released to the press February 12]

The President has sent the following message to Emperor Hirohito of Japan:



"THE WHITE HOUSE,  
February 11, 1940.

"Upon the occasion of this memorable anniversary I am happy to extend my sincere good

wishes for the welfare of Your Majesty and your family.

FRANKLIN D. ROOSEVELT"

## Commercial Policy

### TRADE AGREEMENTS

Address by Assistant Secretary Long<sup>a</sup>

[Released to the press February 12]

This is Lincoln's birthday. Perhaps the spirit of the Great Emancipator will contribute to a nonpartisan atmosphere in our discussion of one of the most important problems in the economic life of our country today.

There is now pending for the active consideration of the American people and of the Congress the question of an extension of the Trade Agreements Act, which was first adopted for a period of 3 years in 1934 and then extended for an equal period in 1937.

Trade agreements are a means of lowering obstacles to American exports and of penetrating barriers raised in other countries against the importation into those countries of the products of American farms and factories. They are designed to increase the volume of American foreign trade.

Since there is such a persistent vitality in ancient fallacies regarding our foreign trade, and since these fallacies will be repeated without end in the discussions attending this question, there is need for continuous repetition of the simple basic facts regarding foreign trade and its importance to all of us. I propose, therefore, to review briefly certain cardinal facts about our foreign trade and our commercial policy as embodied in the trade-agreements program.

The first and central fact is that we cannot hope to maintain a satisfactory economic situa-

tion in the United States without an adequate volume of foreign trade. This is true of both exports and imports.

Our national economic machine is geared to the production of a number of important commodities in quantities which exceed our domestic requirements. Substantial portions of our output of cotton, tobacco, corn-hog products, wheat, fruits, refined copper, certain petroleum products, machinery of various types, and many others must be marketed abroad, if these branches of production are to prosper. Once they are deprived of adequate foreign outlets, the millions of people involved in these branches of production find their purchasing power impaired. As a result, they can buy less of goods produced in this country.

The loss of foreign markets for our exportable surpluses thus leads to a shrinkage of our domestic market as well. This effect is accentuated by the reduced volume of business done, in consequence of the shrinkage of markets, by our ports, our railroads, our other means of transportation, our banks, our merchandizing establishments, and so forth. Loss of foreign markets leads to stagnation, depression, unemployment, and general distress, which spread, step by step, throughout the whole economic system.

It is true, of course, that the value of exports is less than 10 percent of the value of our total production of movable goods. This statistical fact leads some people to the dangerous conclusion that, therefore, our export trade is not

<sup>a</sup>Delivered before the Women's Luncheon Club, Philadelphia, Pa., February 12, 1940.



of any appreciable economic importance to us and that its reduction or even complete elimination would not hurt us much. A moment's thought, however, reveals clearly the fallacy inherent in this view.

Our economic system is not organized into two watertight compartments, one of which, representing 90 percent of our productive effort, supplies our domestic market, while the other, representing the remaining 10 percent, works for the foreign market. If that were the case, we might be able to lop off the 10-percent compartment, without much injury to the 90-percent compartment. But that is not the case. The branches of production which produce exportable surpluses are essential parts of the whole intricate machinery which is our economic system. Impairment of these branches of production through loss of foreign markets, which in many cases represent far more than 10 percent of their total sales, causes loss of efficiency throughout the entire system.

Of course, in any foreseeable future, we are not likely to lose all of our foreign markets. Even at the depth of the great depression, our export trade was still one-half in volume and one-third in value of what it had been before the depression. But as that experience so unpleasantly proved, a loss of foreign markets of that magnitude contributed powerfully to the unforgettable distress in agriculture, industry, and all other phases of our economic life from which our Nation suffered so acutely.

Our imports are usually somewhat less in value than our exports. They thus represent an even smaller percentage of our total production than do our exports. Would we be justified in concluding, from this thoroughly misleading statistical ratio, that imports are of little or no importance to us?

Here again, as in the case of exports, it is necessary to look at the things we import and appraise their significance for the operation of our economic system.

Some of the commodities which we import from abroad are not and cannot be produced in this country. For some we can find costly and unsatisfactory substitutes; others we

would have to do without, if we eliminated our import trade. Unless we import tin, nickel, many other rare metals, rubber, coffee, tea, spices, and a host of other commodities, we shall deprive ourselves of automobiles, telephones, many electrical appliances, and countless other comforts and conveniences of modern life; we shall even have to change profoundly our eating and drinking habits.

Some of the commodities which we import from abroad are produced in this country, but in quantities entirely insufficient for our needs, in spite of the fact that we have long imposed high duties on their importation. Some of the imported commodities differ so markedly in quality, price, use, or marketing season from our own production that they can really be classed with commodities not produced at all in this country, and without which our standards of consumption must necessarily decline.

Salt is a small ingredient of food. Yet how many of us would prefer unsalted to properly salted food?

I do not mean to imply that anyone in his right senses proposes a complete elimination of imports. But when you hear or read the pronouncements of unreconstructed high protectionists or of advocates of economic nationalism for our country, you cannot escape the conclusion that they favor the greatest possible reduction of imports without any regard for what such action would mean to our national economic life—either in terms of exports and their implications for our domestic prosperity, or in terms of lowered standards of living for our people resulting directly from the exclusion of imports.

This brings me to the second cardinal fact which I should like to review today. International trade is not a one-way affair. A nation cannot sell without buying. In the final analysis, our exports, which are other countries' imports, pay for our imports, which are other countries' exports. In considering the subject of foreign trade, it is necessary to look at exports and imports as interrelated parts of a single process, rather than as being separate and distinct from each other. This is of par-

ticular importance in connection with measures of governmental regulation of foreign trade.

During the post-war period, there was a continuous growth in the world of more and more stringent obstructions to international trade. In this movement, our country participated prominently by the successive upward revisions of our tariff in 1921 and 1922 and in 1930.

In thus raising our tariff, the only thing that was envisaged was the protection of certain of our domestic industries, without any regard to the effects of these policies on our export trade or on our consuming public. The only thought in the minds of those who were responsible for tariff revision was to reduce imports, and to do so by indiscriminate and oftentimes unreasonably excessive, embargo tariff rates.

Since other countries were doing the same thing—in part, in retaliation for our actions—the whole development of mutually beneficial trade among nations was retarded. During the twenties, the real situation was obscured by the vast volume of international borrowing and lending, in which our country took a leading role. But this unhealthy process had to come to an end sooner or later. And when the bubble burst, 10 years ago, there ensued an even greater orgy of trade restrictions than ever before.

New devices were widely adopted for the absolute limitation of the quantities of imports and for otherwise obstructing the flow of trade. New preferential trading arrangements grew up to the disadvantage of countries outside those arrangements. International trade became drastically reduced, and much of what remained became diverted out of its ordinary channels.

This Nation found itself in a situation in which its foreign trade was shackled by the excessive tariff duties of the Hawley-Smoot Act and by the absence of any effective instrument for entering into arrangements with other countries for the reciprocal reduction of excessive obstacles to the interchange of mutually needed goods. As restrictions and dis-

criminations against our goods mounted in foreign markets, our exports fell from more than 5 billion dollars in 1929 to 1.6 billions in 1932, and with them our domestic productive activity declined disastrously.

In that situation—and this is the third cardinal fact I wish to review—a way had to be found of rebuilding foreign markets for our exportable surpluses if our domestic prosperity was to be restored satisfactorily. That way was found through the enactment in 1934 of the Trade Agreements Act through which the Congress lodged in the President authority to enter into agreements with other governments for the facilitation of our exports in return for reduction, by not more than 50 percent, of some of our own excessive and unreasonable tariff rates. Under this authority we have entered into agreements with 21 countries. The areas covered include the colonial areas of the British, French, and Dutch Empires. As a result of these agreements we have received hundreds of concessions reducing restrictions—sometimes discriminatory restrictions—on products of particular interest to this country.

Under these trade agreements our exports have experienced a decided recovery. Not all of the increase has been the result of trade agreements, of course. Other factors of recovery here and abroad have been operative as well. But careful examination discloses that the trade agreements have made an important contribution to the increase.

It is impossible in limited compass to review the evidence supporting this conclusion, commodity by commodity. But it is certainly significant that our exports to countries with which we have concluded agreements have increased in greater proportion than have our exports to nonagreement countries. For example, our annual average of exports to all countries in the period January 1936 to October 1939 increased by 35 percent over the average for the years 1934 and 1935. In the same periods, however, our exports to trade-agreement countries such as Canada increased 47 percent, Brazil 48 percent, the Netherlands 66 percent,

and the Netherlands East Indies 134 percent. Our trade with all trade-agreement countries in 1937 and 1938 was 61.2 percent greater than in 1934 and 1935, whereas the increase in exports to non-trade-agreement countries was only 37.9 percent.

Furthermore not only have exports from the United States shown greater relative gains to trade-agreement than to non-trade-agreement countries, but the imports of the agreement countries from the United States have generally increased more than from the rest of the world as a whole. Thus under the first agreement with Canada, 1936-38, Canadian imports from the United States increased by 42 percent over the average for 1934-35, compared with only 22-percent increase in Canadian imports from other countries.

These gains in our export trade have been achieved without material injury to any group of producers in this country. We have adjusted our customs duties only in those cases in which existing duties were, after careful and painstaking examination, found to be excessive and unreasonable. We have done so only in those cases in which, in return for such adjustments, other countries have been willing to reduce their obstructions to our goods. We have done so only to the extent to which, on the basis again of most careful and painstaking examination, it was found possible to make the adjustments without inflicting serious injury on the branches of agriculture and industry concerned. In special cases, where additional safeguards were deemed necessary, such safeguards were provided.

It is with this record of achievement as a background that it is now sought to extend for another 3 years the authority to enter into trade agreements, to maintain and extend the gains already made, and to enable this country to meet changing conditions in foreign markets as they arise in the coming years.

For in the coming 3 years we shall need the flexibility which the trade-agreements program affords as greatly as, if not more than, we needed it in the emergency of the great depression. We are in another kind of emergency now. What conditions may bring forth in

these future years no one can foresee with exactitude. The countries constituting our largest markets have become engaged in war. No part of the world will be able to remain unaffected by the fact of war.

We can be sure that our foreign trade will be profoundly affected by it. The character of our exports, particularly to belligerent countries, will be shifted. Some industries will find their export markets greatly reduced; others whose products are deemed to be more essential to war purposes will be stimulated. Even our trade with neutral countries will not remain unchanged as the effects of war and of blockades reach into the economies of those countries. In some cases we shall find new export outlets by filling the gaps created by the inability of belligerent countries to supply their former customers; in other markets we shall find increased difficulties as belligerents, in an effort to conserve their foreign-exchange resources, seek to force bartering arrangements upon countries from which they procure foodstuffs and raw materials.

What all this means is that while we cannot foresee all the changes themselves, we can foresee the inevitable fact of rapid change in the nature and directions of the world's trade and in the trade controls and trading arrangements adopted by both belligerent and neutral nations.

If, to meet emergency kaleidoscopic conditions such as these, our country is to be in a position to resist discriminations against its commerce, to insure that unreasonable quota and exchange restrictions will not be placed abroad on our exports, and to shield, as far as possible, our domestic economy from the disruptive effects of war abroad, we shall need a reasonably flexible instrumentality for dealing directly, within the limits of policy laid down by the Congress, with the other countries of the world.

In addition, the extent to which our trade with other nations can be maintained in this disturbed period on an economically sound, mutually advantageous basis will be an important factor in easing the adjustments which will in any event be difficult enough when the



war ends. We cannot hope that American farms and factories will escape the need for these adjustments. But if, to the best of our ability, we keep trade lines open and if they will continue to serve the peace-time needs of the world we shall have to some extent mitigated the disruption that will follow.

We need also to keep alive the principles embodied in the trade-agreements program as an important American contribution to a more stable peace than that which followed the last war. War inevitably brings with it a system of greatly intensified controls over all forms of economic life, including foreign trade. If these controls are not to persist into peacetime and if the unsettling drive toward maximum self-sufficiency which marked the interim between the last war and the present one is not to be renewed, there must be at the close of this war a reasonable prospect for every nation that it can find the basis for lasting prosperity within its own territorial boundaries, by devoting its productive energies to those lines of activity in which it finds itself most effective, obtaining through the ordinary channels of trade those things which it does not produce for itself.

Economic security and peaceful association, based on recognized and observed rules of international conduct, can alone hold out the prospect of a stable world order. Neither can exist alone indefinitely, but each can contribute mightily to the success of the other. In that sense, it can be truly said that the principles of the trade-agreements program—removal of unreasonable and excessive restrictions on international commerce and the elimination of international commercial discriminations—are indispensable to the establishment of an enduring condition of peaceful commerce and, therefore, of an orderly world.

Before closing I want to touch upon certain legal and constitutional aspects of this program. Views have been advanced in some quarters to the effect that it constitutes an unwarranted delegation of power to the President by the Congress. The proponents of this argument are sincere, but I trust that by a more careful review of our history and a closer

study of our laws they will arrive at the conclusion that the policy I advocate is not only in accord with our history but authorized by the Constitution and sanctioned by our law.

Delegation to the Executive by the Congress of discretionary powers such as contained in the Trade Agreements Act is no present-day innovation. It has been practiced on numerous occasions in our history and has been held in our courts to be constitutional.

The principle involved is the extension of an authority to the Executive, within defined limits, to exercise discretion in certain matters affecting foreign commerce. In 1794 the Congress first passed such a law. At that time the Government was young. It was then 5 years old. In 1794 Washington was President. He had presided over the Convention which drafted the Constitution. In his Cabinet were Jefferson and Hamilton. Madison, Franklin, Washington, Jefferson, Hamilton, and their associates were sponsors for the young Government. They had brought it into being, and they were colleagues in starting it on its career. They certainly could be trusted to guide its legislative acts to conform to their concept of the powers and authorities which they themselves had prescribed to the Congress and to the Executive and had reduced to written form in the Constitution. Under those circumstances, with the approval of these Founding Fathers, the Congress passed the act in 1794 which delegated to the President authority to exercise discretion in a prescribed field in matters concerning foreign trade.

Again in 1798, and later during the administrations of Adams, of Jefferson, and of Madison, the Congress time and again passed similar legislation—and has done it from time to time ever since. In our own age no less an authority than Chief Justice Taft of the Supreme Court handed down an opinion which sustains the contention that the delegation of authority, when properly defined, is entirely constitutional and within the authorized sphere of congressional action.

So that if George Washington and the Founders of the Republic can be relied upon—and if the decision of the Supreme Court in

our own day, speaking through the Chief Justice, who had himself exercised the authority of President, is to be relied upon—the contention that the Trade Agreements Act is an unconstitutional delegation of power seems to be without foundation in history or in law.

There is another view which has been advanced in some quarters that these trade agreements should be submitted to the Senate for their advice and consent before they are proclaimed. The argument in support of this is that the agreements fall within the constitutional classification of treaties and that as such they should be submitted to the Senate. The advocates of this point of view are also sincere, but their position appears to be untenable from the constitutional point of view.

The negotiation of Executive agreements as distinguished from treaties has been for a long time a part of our practice in the conduct of our foreign relations. Such agreements have been upheld as valid by the weight of court opinion. Another Chief Justice of the Supreme Court, Mr. Charles Evans Hughes, speaking for the Court and discussing the powers of the Federal Government to effect an international settlement, has said that the United States has power to make agreements with other nations "through treaty, agreement of arbitration, or otherwise." Since that decision the Supreme Court has stated (*U. S. vs. Curtiss-Wright*) that the President has inherent authority to make such international agreements "as do not constitute treaties in the constitutional sense," without the necessity of submitting them to the Senate.

The use of Executive agreements to carry out congressional policy is particularly appropriate where questions of foreign trade are concerned. The Constitution itself provides that the Congress shall have power to regulate foreign commerce. The Constitution does not say that, regardless of the desires of Congress, one-third of the Senate shall have power to prevent regulation of foreign commerce, and yet that is what it would amount to if these

trade agreements had to be classified as treaties and therefore had to be submitted to the Senate for its approval before they became operative. Treaties require a two-thirds vote of the Senate to secure approval. That means that one-third of the Senate can block approval. Consequently, under the theory that trade agreements must or should be submitted to the Senate, one-third of that one House could block the desire of both Houses of the Congress and of the Executive as expressed in the Trade Agreements Act.

On this point our constitutional law is really quite clear. The Constitution gives to the Congress power to regulate foreign commerce, and the Congress must have the authority to determine and to adopt what it considers the most effective manner of regulation. The advocates of the point of view requiring submission to the Senate argue that there should be some control over the Executive in carrying out the instructions of the Congress. The fact is that the Congress retains control. The Congress delegates power to the President to act within limitations the Congress itself establishes. Furthermore, the Congress can, at any minute, by majority vote of both Houses, exercise additional control by abrogating the power granted, or by amending it, or by redefining it. So that there does continue that control which the advocates of ratification by the Senate contend for. Only that control lies, first, in directions given by Congress and, second, in the ever-present power of Congress to act by a majority vote of each House. Advocates of ratification by the Senate really recommend in practice that Congress surrender its control to one-third of one House.

We must remember that the trade agreements do not deal with political rights or adversely affect the sovereignty of the United States. Such matters may properly be reserved for treaties. Trade agreements are purely and simply instruments for increasing the foreign trade of this country and afford the best-known medium for effecting that objective.



## THE BROADER PURPOSES OF THE TRADE-AGREEMENTS PROGRAM

Address by Assistant Secretary Grady <sup>7</sup>

[Released to the press February 15]

I am not going to present to you tonight an array of statistics to prove the value to you of the trade-agreements program. Many of you know this from your everyday business experience. Moreover, if we look too closely at a great many individual statistical trees, we may fail to observe the height and depth of the forest.

Those of you who are engaged in foreign-trade activities see the individual trees in your daily business—the opportunities for profitable trade, the obstructions of excessive trade barriers and restrictions, the benefits of concessions obtained in trade agreements. You may find it of interest, therefore, to view the more complete picture, the way in which our trade agreements with foreign countries fit into the whole set-up of our foreign trade, our international commercial relations, and our national prosperity. Let me set forth for you some of these broader aspects.

The immediate purpose of the trade-agreements program is the restoration and expansion of our foreign trade. That the program has already made recognizable progress in this direction has been shown by objective efforts to measure its results. Of course, there are many factors influencing the volume and value of our foreign trade, and it is difficult to isolate the results due to trade agreements from those due to other factors. But when we find that our trade with countries with which trade agreements have been negotiated has been increasing, since those trade agreements have been in effect, about twice as fast as our trade with other countries, there is at least an indication that the reduction of trade barriers and the promotion of the principle of equality of treatment, which constitute the essence of

these agreements, are having the desired effect of encouraging more business.

For the benefit of those who must have a figure or two, let me refer to the analysis published by the Department of Commerce on January 20, according to which the increase in our exports to trade-agreement countries, between a pre-agreement and a post-agreement period, was about 60 percent as compared with a less than 30-percent increase in exports to other countries. For our imports, the corresponding figures are 22 percent and less than 11 percent.

I am aware that some people who do not like the trade-agreements program claim that this is not a true and representative comparison, that if the trade were more closely analyzed the results would be different. For their benefit and because of our own interest in an accurate appraisal of the program, other comparisons have been made. We find that our exports to Canada of those products on which Canada reduced duties by trade agreement with us increased faster under the agreement than our exports to Canada of other products. We find likewise, in examining the trade of a representative number of countries with which we have trade agreements, that our percentage shares of the imports of most of these countries increased under the trade agreements. Both of these statistical inquiries lead to results which support those of the first-mentioned comparison.

We naturally tend to assume that an increase in our trade is beneficial. But, of course, from the national point of view our foreign trade is not an end in itself, but a means to several ends. So let us consider some of these ends.

First of all, a healthy foreign trade is essential to our national prosperity. I know that I do not have to convince you on this point. There are always some people, however, sometimes people of recognized ability and achievement, who maintain that it is not necessary for this country to look for foreign markets for its

<sup>7</sup> Delivered at a dinner of the Foreign Traders Association of Philadelphia, Inc., Philadelphia, Pa., February 15, 1940, and broadcast over Station KYW.

own products and even less necessary to import the products of other countries. This doctrine of self-sufficiency or economic isolation is however rapidly losing support in the face of the evident facts.

The United States is economically dependent on the world community to an important degree. The maintenance of our standards of living requires that we continue to be so dependent. This country could never hope to be entirely self-sufficient, and the cost of seeking self-sufficiency would seriously affect our national welfare.

The world's resources are not evenly distributed. Some of the most important raw materials needed by many countries are found in only a few. Some nations have more abundance of capital or more labor available than others. One country can export one type of raw material to better advantage than another. One country can produce certain types of manufactured goods more economically than another. It is naturally to the advantage of every country to exchange the goods of which it has a surplus and which it can best produce for those goods which it lacks or can produce only at high cost. This is the simple and basic reason for trade, domestic or foreign.

The relation of our foreign trade to our national prosperity is very close. In the years in which our exports and imports have been greatest, our production has also been high as have been our domestic employment and wage levels. The benefits of prosperous foreign trade pervade our whole economy.

The expansion of foreign markets for American products means increased production in the export industries and an outlet for surplus farm products. This, in turn, leads to increased employment, increased wages, and better farm prices. Thus the farmer and the worker who produce for export obtain a direct benefit from increased sales abroad. This increases their purchasing power in the home market of other domestic industries and other branches of American agriculture, with widespread benefit throughout the country.

To be specific, let us look at the stake of Philadelphia and its surrounding district in foreign trade and the trade-agreements program. Philadelphia is an important trading center. Not only is it one of the largest cities in the United States, but it is also one of the country's most important ports, connected by its extensive railway and highway networks with a rich hinterland. One might almost use the volume of commerce passing through the port of Philadelphia as an index of the country's prosperity.

The export products of the area served by Philadelphia include iron and steel products, electrical and industrial machinery, petroleum products, and fruits. These are all staple products, representative of a large part of the total United States exports. Also, the imports which enter the port of Philadelphia involve an important part of the area's business. They consist for the most part of essential raw materials for Pennsylvania's factories. As a matter of fact, it is estimated that in the State of Pennsylvania about 80,000 persons are employed in factories which convert imported raw materials into finished articles for home consumption or for reexport, and that about 10,000 more workers are employed in plants engaged in the secondary processing of some of the imported materials or in the use of imported raw materials and semimanufactures.

The trade-agreements program has facilitated exports of the Philadelphia region by obtaining substantial concessions for its staple export products and by granting reductions in duty on many of the raw materials and semimanufactures used in its industries.

The increased volume of exports and imports and the increased activity resulting directly from this trade stimulate activity in other lines, even those only remotely connected with foreign trade. As examples, we can mention stevedoring, transportation, brokerage, insurance, banking, advertising, merchandising, communications, and so forth. The field is unlimited. The important thing is to keep the channel free and the flow steady.

The reverse of this picture is seen when economic depression at home and abroad and the raising of tariff barriers and other trade restrictions to excessive heights combine to restrict and reduce the flow of our trade. The decline in our national prosperity during the years after 1929 is a story that is all too well known. The causes of that decline were many, but one of the important factors accounting for the depth and length of this depression was the loss of our foreign trade. The workers who had been producing for export were thrown out of work and were unable to buy the products of other American industries. The surplus farm products which no longer had export markets were thrown back on the home market, and prices dropped to record lows. Every branch of American agriculture and industry felt the effects of a shrunken foreign trade.

The restoration and expansion of a healthy and profitable flow of goods between the United States and foreign countries is essential for the welfare of our entire Nation. The trade-agreements program, by its action in bearing down upon the excessive restrictions against our trade, sets in motion a whole series of transactions leading to increased business activity, increased employment, and increased consumer purchasing power—all of which mean prosperity.

The policy and procedure followed in the trade-agreements program is based on the proposition that, given fair and orderly conditions and reasonable opportunity to trade, private initiative will rise to the task of organizing and carrying on this commerce with the rest of the world upon which we must rely for the maintenance of our high standards of living. The essential task faced in administering the Trade Agreements Act is to promote reasonable and nondiscriminatory treatment of our products in foreign markets in return for judicious adjustments in our own tariff rates and guarantees of equal, or most-favored-nation, treatment on our part.

In carrying out this task there has been developed a valuable and effective contribution

to the solution of our perennial national headache—the tariff problem. Tariff revision and manipulation has been a frequently recurring and bitterly controversial element of our entire national history. Repeated efforts have been made to solve it through administrative tariff adjustment, on the basis of a policy and formula laid down by Congress, and in most cases with provision for reciprocal negotiation with foreign countries.

People who do not like the trade-agreements program—mostly because they object to the moderate and carefully framed tariff adjustments which it involves—advance various alternatives or modifications. Usually they will be found to have been tried in our past history and found wanting. The trade-agreements procedure has proven in practice to be fair and well balanced, *and it works*.

The important features of this procedure are worth passing in brief review. First let me emphasize that full and fair opportunity is given to all interested persons to present their views in connection with any proposed trade-agreement negotiations. The same consideration is given to the statements and arguments of Joe Glutz, manager of the Fine and Dandy Suspender Manufacturing Company, as is given to requests of those who hire high-priced tariff lobbyists to present their case.

The information and views presented in briefs and at public hearings held before the Committee for Reciprocity Information in connection with each agreement receive thorough analysis and study at the hands of the trained experts of the interdepartmental trade-agreements organization. This organization is composed of representatives from the Tariff Commission and from the Departments of State, Commerce, Agriculture, and the Treasury, who can draw on their own training and experience and on the vast resources of information and experience available to their respective agencies. These men sift the information available on each product under consideration and formulate the recommendations which, when they have received the neces-



sary official approval, form the basis for negotiations with foreign governments.

In return for the carefully formulated and judiciously safeguarded tariff concessions granted to the other country, we are able to secure from the foreign government the valuable concessions which make possible the expansion of our export trade.

This new type of tariff making by trade agreements avoids the evils of the old log-rolling tariff, the ineffectiveness of the reciprocity treaties requiring congressional approval, and the defects of the impracticable cost-of-production formula. It has been possible by this procedure to determine rates of import duty which are economically justified and to obtain in return improved treatment of our exports. The interests of all producers, great and small, of consumers, importers, and exporters, are taken into account.

The principle underlying the negotiation of all our trade agreements is the most-favored-nation principle, which requires that the United States and the other country with which it enters into a trade agreement shall accord to each other's trade treatment which is no less favorable than that accorded to any third country. The United States has consistently held that the only way to eliminate discrimination and preference is to grant the same treatment to all countries who do not discriminate against our trade. For this reason, the concessions granted in a trade agreement with one country are extended to the products of all other countries not found to be discriminating against us. Thus, even countries with which we do not have trade agreements may find it to their interest as well as to ours to accord us nondiscriminatory treatment.

The application of the most-favored-nation principle to trade negotiations is one of the strongest forces at work in the world today for removing ill will engendered by economic nationalism. The rise of economic nationalism following the World War was accompanied by an alarming increase in trade discrimina-

tions. Excessive and preferential tariffs, restrictive quotas, exchange manipulations, and government-controlled monopolies of trade were strangling world commerce and creating friction between nations. This country, by pursuing a policy of nondiscriminatory treatment, has demonstrated to the world what can be done to increase trade between nations to the common advantage of all. It has been widely recognized that the principles embodied in the trade-agreements program offers the only sane approach to an orderly world economy, without which there can be no peace.

You will probably want to know what relation there can be between the peaceful objectives of the trade-agreements program and the current developments in Europe. The war does not by any means constitute a reason for scrapping the trade-agreements program. On the contrary, the program is the one hope for salvaging our trade from the chaotic conditions which come with war's aftermath.

The war will undoubtedly have far-reaching effects on our national economy. The abnormal demand for certain types of goods, coupled with the gradual shrinkage of the markets for other types of goods, is bound to cause a dislocation of all branches of American industry and agriculture, even while the war is still going on. When it ends, the trade of the world will be in a state of chaos and confusion, and it will be necessary to find some sound basis for the reconstruction of orderly trade between nations. It will be necessary to find a way to reestablish friendly relations among all nations and to eliminate the causes of future commercial and economic conflict. It will be necessary to find some means by which the economic system can be adapted to the new conditions of a new post-war era.

The system of cooperation between nations by means of mutually advantageous trade agreements provides a means and an instrument for establishing our international economic relations on a sound footing, so that we may some day achieve a lasting structure of world prosperity and peace.

## Departmental Service

[Released to the press February 16]

The Secretary of State has issued the following departmental orders:

*Departmental Order No. 840, issued February 16, 1940:*

The Honorable Breckinridge Long, Assistant Secretary of State, is hereby charged with the administration of the Department of State and the Foreign Service and with supervision of matters relating to personnel and management, appropriations of the Department and its several activities, consular affairs, passports, visas, Foreign Service buildings, international conferences, and such other duties as may be assigned to him by the Secretary of State.

Mr. Long is hereby designated a member and Chairman of each of the following:

- The Board of Foreign Service Personnel
- The Board of Examiners for the Foreign Service
- The Foreign Service Officers' Training School Board

This Order amends the provisions of all existing Departmental Orders in conflict therewith.

*Departmental Order No. 838, issued February 15, 1940:*

Mr. Charles B. Hosmer, a Foreign Service Officer of Class II on detail in the Department, has been designated to serve as an Executive Assistant to Assistant Secretary of State, Mr. Long, effective February 16, 1940. Mr. Hosmer will perform such duties as may be assigned to him by Mr. Long.

*Departmental Order No. 839, issued February 15, 1940:*

Mr. Fletcher Warren, a Foreign Service Officer of Class IV on detail in the Department, has been designated to serve as an Executive Assistant to Assistant Secretary of State, Mr. Berle, effective February 16, 1940. Mr. Warren will perform such duties as may be assigned to him by Mr. Berle.

*Departmental Order No. 834, issued January 23, 1940:*

Mrs. Ella A. Logsdon has been appointed Chief of the Office of Fiscal and Budget Affairs. Mr. B. Leslie Vipond has been appointed Assistant Chief of the Office. The effective date of this order shall be January 23, 1940.

## Traffic in Arms, Tin-Plate Scrap, etc.

### MONTHLY STATISTICS

[Released to the press February 16]

NOTE: The statistics of actual exports in these releases are believed to be substantially complete. It is possible, however, that some shipments are not included. If this proves to be the fact, statistics in regard to such shipments will be included in the cumulative figures in later releases.

#### ARMS EXPORT LICENSES ISSUED

The table printed below indicates the character, value, and countries of destination of the arms, ammunition, and implements of war licensed for export by the Secretary of State during January 1940:



Country of destination	Category	Value	Total
Angola.....	V (2)	\$435.00	\$435.00
Argentina.....	I (5)	2,300.00	
	III (2)	10.00	
	V (1)	20,900.00	45,043.48
	V (2)	6,833.48	
	VII (2)	15,000.00	
Australia.....	I (4)	39.00	
	III (1)	371,380.00	
	IV (2)	455.00	400,328.00
	V (2)	2,278.00	
	V (3)	26,178.00	
Belgium.....	V (1)	20,745.00	20,745.00
Bermuda.....	I (4)	16.00	16.00
Bolivia.....	V (2)	64.60	
	V (3)	45,384.00	46,398.60
	VII (1)	950.00	
Brazil.....	I (1)	538.00	
	I (4)	915.00	
	IV (1)	2,688.00	
	(2)	19,276.00	64,984.00
	V (1)	14,950.00	
	(2)	11,620.00	
	(3)	14,997.00	
British Guiana.....	V (1)	2,500.00	2,500.00
British North Borneo.....	I (4)	2.43	2.43
Canada.....	I (1)	2,336.18	
	(2)	330.00	
	(4)	8,650.38	
	IV (1)	1,480.04	
	(2)	129.29	
	V (1)	45,300.00	323,378.52
	(2)	74,464.51	
	(3)	188,931.50	
	VII (1)	1,749.02	
	(2)	4.60	
Chile.....	V (1)	3,500.00	3,534.00
	(2)	34.00	
China.....	I (2)	2,900.00	
	IV (1)	39.60	
	V (1)	90,000.00	214,155.80
	(2)	106,742.57	
	(3)	14,483.63	
Colombia.....	IV (1)	587.00	
	(2)	206.00	44,293.00
	V (1)	35,000.00	
	(3)	8,500.00	
Costa Rica.....	V (2)	435.62	
	(3)	4,868.00	6,263.32
	VII (1)	959.70	
Cuba.....	IV (1)	17.50	
	VII (1)	629.28	646.78
Curaçao.....	V (2)	1,950.00	
	(3)	7,000.00	8,950.00
Dominican Republic.....	IV (2)	506.00	506.00
Ecuador.....	I (4)	158.00	
	IV (1)	98.00	
	(2)	2,612.00	3,768.00
	VII (2)	900.00	
Egypt.....	IV (1)	17.00	
	V (2)	60.00	77.00
Finland.....	I (4)	169,253.00	169,253.00
France.....	I (4)	1,617,500.00	
	III (1)	17,154,091.70	81,572,301.72
	(2)	16,237.80	
	V (2)	5,983,273.22	
	(3)	56,801,199.00	
French Indochina.....	I (4)	51.00	
	IV (1)	2,040.00	2,489.00
	(2)	398.00	
Great Britain and Northern Ireland.....	I (4)	907,500.00	
	(5)	200.90	
	IV (1)	132.00	908,359.40
	V (2)	47.50	
	(3)	479.00	
Guatemala.....	IV (1)	189.00	3,219.00
	VII (2)	3,080.00	
Haiti.....	V (1)	7,000.00	7,000.00
Honduras.....	I (4)	123.00	
	IV (2)	86.00	509.00
	V (2)	300.00	
Hong Kong.....	V (2)	1,500.00	1,500.00
India.....	I (4)	622.00	
	IV (1)	230.00	
	(2)	23.00	22,165.00
	V (1)	20,500.00	
	(2)	750.00	
Jamaica.....	IV (1)	48.00	48.00

Country of destination	Category	Value	Total
Mexico.....	I (5)	\$112.50	
	V (1)	88,100.00	
	(2)	600.00	
	(3)	1,200.00	\$101,144.50
	VI (2)	112.50	
	VII (1)	1,019.50	
	(2)	10,000.00	
Netherlands.....	I (2)	2,185.00	
	(4)	47.50	
	(5)	155.00	50,938.00
	V (2)	3,950.50	
	(3)	44,600.00	
Netherlands Indies.....	I (4)	29.74	
	(5)	3,200.00	
	III (1)	222,250.10	
	IV (1)	11,384.00	368,499.84
	(2)	121.00	
	V (2)	7,190.00	
	(3)	124,325.00	
New Caledonia.....	I (4)	203.00	203.00
New Zealand.....	V (2)	1,600.00	
	(3)	2,390.00	3,990.00
Norway.....	III (1)	712,000.00	721,300.00
Panama.....	V (2)	9,300.00	
	(3)	3,900.00	4,700.00
Peru.....	VII (1)	800.00	
	IV (1)	64.00	
	V (1)	4,676.00	8,190.00
	(2)	3,440.00	
Portugal.....	I (1)	51.80	
	(4)	44.00	
	IV (2)	12.00	2,863.56
	V (1)	2,400.00	
Rumania.....	VII (1)	355.76	
Southern Rhodesia.....	V (2)	600.00	600.00
	I (1)	180.00	
	(2)	227.50	478.50
	(4)	71.00	
Sweden.....	V (2)	92,550.00	
	(3)	520,100.00	612,650.00
Thailand.....	IV (1)	2,891.00	
	V (2)	2,900.00	161,791.00
	(3)	156,000.00	
Turkey.....	III (2)	5,610.00	
	V (2)	82,526.00	88,136.00
Trinidad.....	V (3)	3,000.00	3,000.00
Union of South Africa.....	I (1)	73.10	
	(4)	9.13	
	V (2)	399.11	34,949.34
	(3)	6,000.00	
Uruguay.....	VII (2)	28,468.00	
Venezuela.....	IV (1)	433.00	433.00
	I (1)	38.84	
	(4)	32.93	
	IV (1)	810.00	
	(2)	47.00	
	V (1)	33,000.00	60,040.11
	(2)	7,000.00	
	(3)	7,000.00	
	VII (1)	351.94	
	(2)	11,759.40	
Grand total.....			86,096,775.90

During the month of January, 316 arms export licenses were issued.

#### ARMS EXPORTED

The table printed below indicates the character, value, and countries of destination of the arms, ammunition, and implements of war exported during January 1940 under export licenses issued by the Secretary of State:

Country of destination	Category	Value	Total
Argentina.....	V (2)	\$3,594.48	\$137,002.48
	(3)	134,008.00	
Australia.....	III (1)	3,253,575.00	3,311,305.00
	IV (2)	440.00	
	V (1)	4,500.00	
	(2)	434.00	
Belgium.....	I (4)	52,356.00	30.79
Bermuda.....	I (1)	30.79	
	(4)	48.00	64.00
	(4)	16.00	
Bolivia.....	V (2)	561.69	10,161.69
	(3)	9,600.00	
Brazil.....	I (4)	3,486.00	227,357.75
	III (1)	173,880.00	
	IV (1)	1,257.00	
	(2)	15,971.00	
	V (1)	3,400.00	
	(2)	24,893.00	
	(3)	4,468.75	
	(2)	2.00	
British Honduras.....	IV (1)	15.00	33.00
	(2)	18.00	
Canada.....	I (1)	1,078.85	535,383.82
	(4)	350.68	
	III (1)	402,411.00	
	IV (1)	1,771.76	
	V (1)	13.56	
	(2)	73,025.00	
	(3)	6,037.50	
	(3)	42,693.00	
Chile.....	VII (1)	1,737.87	12,761.00
	(2)	6,264.60	
	I (4)	48.00	
	IV (1)	1,491.00	
	(2)	409.00	
	V (1)	3,500.00	
	(2)	34.00	
	(3)	7,279.00	
China.....	IV (1)	39.60	109,180.60
	V (1)	20,000.00	
	(3)	89,141.00	
	(4)	10.00	
Colombia.....	IV (2)	625.00	85,250.00
	V (1)	77,600.00	
	(2)	4,515.00	
	(3)	2,500.00	
Costa Rica.....	V (2)	14,675.00	16,015.00
	(3)	700.00	
	VII (1)	640.00	
	I (4)	84.00	
Cuba.....	IV (1)	17.50	16,300.50
	V (2)	2,804.00	
	(3)	4,395.00	
	(3)	9,005.00	
Curaçao.....	V (1)	1,500.00	8,500.00
	(3)	7,000.00	
Ecuador.....	I (4)	107.00	2,018.00
	IV (2)	166.00	
	(2)	1,745.00	81.00
El Salvador.....	I (4)	81.00	
Finland.....	I (2)	47,164.00	774,260.00
	(4)	50,368.00	
	III (1)	611,079.00	
	V (3)	65,649.00	
France.....	III (1)	8,429,107.00	11,689,772.00
	V (2)	828,925.00	
	(3)	2,431,740.00	
	(4)	76.00	
Great Britain.....	I (5)	200.90	4,063,198.90
	III (1)	3,690,200.00	
	IV (1)	132.00	
	V (2)	372,111.00	
	(3)	479.00	49.00
Guatemala.....	I (1)	37.00	
	(4)	12.00	6.00
Haiti.....	VII (2)	6.00	
Honduras.....	I (4)	123.00	50,469.00
	IV (2)	86.00	
	V (1)	50,000.00	
	VII (2)	260.00	
India.....	I (4)	880.00	941.00
	IV (2)	61.00	
Jamaica.....	IV (1)	271.00	271.00
Japan.....	V (2)	1,651.00	
Latvia.....	V (3)	3,706.00	3,706.00
Mauritius.....	I (1)	251.45	
	(4)	200.28	451.73
Mexico.....	V (1)	47,500.00	
	(2)	550.00	55,635.75
	(3)	600.00	
	VII (1)	6,985.75	

Country of destination	Category	Value	Total
Netherlands.....	I (2)	\$13,787.00	\$84,059.50
	V (2)	35,580.00	
	(3)	34,692.50	3,151.76
Netherlands Indies.....	I (2)	1,868.00	
	(4)	639.09	
	IV (2)	415.67	
	V (2)	229.00	
New Guinea, Territory of.....	V (2)	1,500.00	1,500.00
New Zealand.....	V (2)	1,971.15	
	(3)	2,540.00	4,511.15
	(3)	15.20	
Norway.....	I (4)	16.00	31.20
	IV (2)	3,000.00	
Panama.....	I (2)	1,457.60	5,357.60
	VII (1)	64.00	
Peru.....	IV (1)	2,700.00	7,589.00
	V (2)	4,825.00	
	(1)	51.80	84.80
Portugal.....	I (1)	33.00	
	V (2)	193.80	193.80
Surinam.....	VII (1)	902,250.00	
Sweden.....	III (1)	65,240.95	967,490.95
	V (2)	17.65	
Thailand.....	I (1)	1.93	42,804.58
	(4)	3,028.00	
	IV (1)	2,637.00	
	V (2)	37,120.00	
Trinidad.....	IV (2)	18.00	5,818.00
	V (2)	2,800.00	
	(3)	3,000.00	
	(3)	146,550.00	
Turkey.....	I (2)	158,750.00	1,252,347.10
	(5)	904,819.00	
	III (1)	14,205.00	
	IV (1)	1,300.00	
	(2)	3,277.10	282.00
Uruguay.....	V (2)	23,448.00	
	(3)	39.00	
	IV (4)	243.00	
Union of Soviet Socialist Republics.....	V (3)	45,192.00	45,192.00
Venezuela.....	IV (1)	531.00	
	(2)	47.00	23,653.63
	V (2)	4,980.00	
	(3)	6,000.00	
	(3)	3,723.23	
Yugoslavia.....	VII (1)	8,372.40	2,210.00
	V (2)	2,210.00	
Grand total.....			23,558,733.08

## ARMS IMPORT LICENSES ISSUED

The table printed below indicates the character, value, and countries of origin of the arms, ammunition, and implements of war licensed for import by the Secretary of State during the month of January 1940:

Country of origin	Category	Value	Total
Argentina.....	V (2)	\$175.00	\$175.00
Belgium.....	I (1)	126.00	
Canada.....	I (1)	100.00	1,255.00
	V (2)	330.00	
	V (2)	700.00	
	VII (2)	125.00	
Colombia.....	V (3)	2,000.00	2,000.00
France.....	I (5)	10,000.00	
Germany.....	I (1)	180.00	1,500.00
Jamaica.....	V (3)	1,500.00	
Mexico.....	I (1)	90.00	150.00
Netherlands.....	V (2)	150.00	
Norway.....	V (3)	750.00	1,500.00
Trinidad.....	V (3)	1,500.00	
Grand total.....			17,726.00

During the month of January, 16 arms import licenses were issued.

### CATEGORIES OF ARMS, AMMUNITION, AND IMPLEMENTS OF WAR

The categories of arms, ammunition, and implements of war in the appropriate column of the tables printed above are the categories into which those articles were divided in the President's proclamation of May 1, 1937, enumerating the articles which would be considered as arms, ammunition, and implements of war for the purposes of section 5 of the joint resolution of May 1, 1937 [see pages 119-120 of the *Bulletin* of January 27, 1940 (Vol. II, No. 31)].

### SPECIAL STATISTICS IN REGARD TO ARMS EXPORTS TO CUBA

In compliance with article II of the convention between the United States and Cuba to suppress smuggling, signed at Habana, March 11, 1926, which reads in part as follows:

"The High Contracting Parties agree that clearance of shipments of merchandise by water, air, or land, from any of the ports of either country to a port of entry of the other country, shall be denied when such shipment comprises articles the importation of which is prohibited or restricted in the country to which such shipment is destined, unless in this last case there has been a compliance with the requisites demanded by the laws of both countries."

and in compliance with the laws of Cuba which restrict the importation of arms, ammunition, and implements of war of all kinds by requiring an import permit for each shipment, export licenses for shipments of arms, ammunition, and implements of war to Cuba are required for the articles enumerated below in addition to the articles enumerated in the President's proclamation of May 1, 1937:

(1) Arms and small arms using ammunition of caliber .22 or less, other than those classed as toys.

(2) Spare parts of arms and small arms of all kinds and calibers, other than those classed as toys, and of guns and machine guns.

(3) Ammunition for the arms and small arms under (1) above.

(4) Sabers, swords, and military machetes with cross-guard hilts.

(5) Explosives as follows: explosive powders of all kinds for all purposes; nitrocellulose having a nitrogen content of 12 percent or less; diphenylamine; dynamite of all kinds; nitroglycerine; alkaline nitrates (ammonium, potassium, and sodium nitrate); nitric acid; nitrobenzene (essence or oil of mirbane); sulphur; sulphuric acid; chlorate of potash; and acetones.

(6) Tear gas ( $C_6H_5COCH_2Cl$ ) and other similar nontoxic gases and apparatus designed for the storage or projection of such gases.

The table printed below indicates, in respect to licenses authorizing the exportation to Cuba of the articles and commodities listed in the preceding paragraph issued by the Secretary of State during January 1940, the number of licenses and the value of the articles and commodities described in the licenses:

Number of licenses	Section	Value	Total
41	(1)-----	\$1,092.55	\$34,888.53
	(2)-----	75.34	
	(3)-----	10,804.50	
	(5)-----	2,916.14	

The table printed below indicates the value of the articles and commodities listed above exported to Cuba during January 1940 under licenses issued by the Secretary of State:

Section	Value	Total
(1)-----	\$969.60	\$34,614.88
(2)-----	58.16	
(3)-----	11,653.00	
(5)-----	21,934.12	

### TIN-PLATE SCRAP

The table printed below indicates the number of licenses issued during January 1940 authorizing the exportation of tin-plate scrap under the provisions of the act approved February 15, 1936, and the regulations issued pursuant thereto, together with the number of tons authorized to be exported and the value thereof:



Country of destination	Number of licenses issued	Quantity in long tons	Total value
Japan.....	24.....	1,957	\$38,063.13

**HELIUM**

The table printed below gives the essential information in regard to the licenses issued during January 1940 authorizing the exporta-

tion of helium gas under the provisions of the act approved on September 1, 1937, and the regulations issued pursuant thereto:

Applicant for license	Purchaser in foreign country	Country of destination	Quantity in cubic feet	Total value
The Ohio Chemical & Mfg. Co.	Oxygen Co. of Canada, Ltd.	Canada...	1,302	\$54.00

## Treaty Information

*Compiled by the Treaty Division*

### ARBITRATION AND JUDICIAL SETTLEMENT

#### Permanent Court of International Justice

There are quoted below the texts, in translation, of letters received by the Secretary General of the League of Nations from the Norwegian and Swedish Governments on December 19 and 26, 1939, respectively, regarding the declarations made by the Governments of Australia, France, Great Britain, India, New Zealand, and the Union of South Africa concerning the acceptances by these Governments of the Optional Clause of the Statute of the Permanent Court of International Justice:

##### *Norway*

"In various communications, dated September 13th, 19th and 20th and October 6th, 1939 (C. L. 141, 143, 147, 148 and 158.1939.V.), you were good enough to inform me that the Governments of Australia, the United Kingdom, India, New Zealand and South Africa have notified you that they will not regard their acceptance of the Optional Clause of the Statute of the Permanent Court of International Justice as covering disputes arising out of events occurring during the present hostilities.

"In a further communication, dated September 13th, 1939 (C. L. 142.1939.V.), you informed me that the French Government has, for its part, declared that it considers that its acceptance of the said clause cannot henceforward be operative in regard to disputes relating to events occurring during the course of the present war.

"While taking note of these communications, I have the honour to inform you that the Norwegian Government feels obliged to make reservations as to the legal effect of the above-mentioned acts of denunciation, more particularly as regards disputes not connected with the war. The Royal Government would venture, furthermore, to draw attention to the fact that, in virtue of Article 36 of the Statute and the declarations relating thereto, it rests with the Court itself to decide questions as to its own jurisdiction and, should the case arise, to pronounce upon the validity and, if necessary, the scope of the acts of denunciation referred to."

##### *Sweden*

"In various communications, dated September 13th, 19th and 20th and October 6th, 1939 (C. L. 141, 143, 147, 148 and 158.1939.V.), you were good enough to inform me that the

Governments of Australia, the United Kingdom, India, New Zealand and South Africa have notified you that they will not regard their acceptance of the Optional Clause of the Statute of the Permanent Court of International Justice as covering disputes arising out of events occurring during the present hostilities. In a further communication, dated September 13th, 1939 (C. L. 142.1939.V.), you informed me that the French Government has, for its part, declared that it considers that its acceptance of the said clause cannot henceforward be operative in regard to disputes relating to events occurring during the course of the present war. In a Circular letter dated September 13th, 1939, (C. L. 144.1939.V.), you also informed [me] that the Australian Government notified you that it will not regard its accession to the General Act as covering or relating to any disputes arising out of events occurring during the present crisis.

"While taking note of these communications, I have the honour to inform you that the Swedish Government feels obliged to make reservations as to the legal effect of the above-mentioned acts of denunciation, more particularly as regards disputes not connected with the war. The Royal Government would venture, furthermore, to draw attention to the fact that, in virtue of Article 36 of the Statute and the declarations relating thereto, it rests with the Court itself to decide questions as to its own jurisdiction and, should the case arise, to pronounce upon the validity and, if necessary, the scope of the acts of denunciation referred to."

#### **General Act for the Pacific Settlement of International Disputes**

In regard to the declaration made by Australia when adhering to the General Act for the Pacific Settlement of International Disputes the Secretary General of the League of Nations states in a circular letter dated January 17, 1940, that the Minister for Foreign Affairs of Sweden has informed him that while taking note of the Australian Govern-

ment's communication, the Swedish Government feels obliged to make reservations as to the legal effect of the "denunciation" of the General Act, more particularly as regards disputes not connected with the war.

### **COMMERCE**

#### **Provisional Commercial Agreement With Chile (Executive Agreement Series No. 119)**

The Department of State has been informed by the American Embassy at Santiago that the Chilean Government has taken the necessary steps to bring into definitive force as of January 5, 1940, the provisional commercial agreement between the United States and Chile effected by notes exchanged in Santiago on January 6 and February 1, 1938.

This agreement continues in effect the provisions which have regulated commercial relations between the United States and Chile in recent years on an unconditional most-favored-nation basis, pending the conclusion of a more comprehensive agreement or treaty.

The provisional agreement, which does not include tariff concessions on individual commodities, was published by the Department as Executive Agreement Series No. 119.

### **LABOR**

#### **Convention Fixing the Minimum Age for the Admission of Children to Employment at Sea (Revised 1936)**

##### *Iraq*

According to a circular letter from the League of Nations dated January 17, 1940, the instrument of ratification by Iraq of the Convention Fixing the Minimum Age for the Admission of Children to Employment at Sea (revised 1936), adopted by the International Labor Conference at its twenty-second session (Geneva, October 22-24, 1936), was registered with the Secretariat on December 30, 1939. According to information received from the League of Nations the following countries have

ratified this convention: Belgium, Brazil, Iraq, Norway, Sweden, and the United States of America.

### **Convention Concerning the Use of White Lead in Painting (1921)**

#### *Netherlands*

According to a circular letter from the League of Nations dated January 5, 1940, the instrument of ratification by the Netherlands of the Convention Concerning the Use of White Lead in Painting, adopted by the International Labor Conference at its third session (Geneva, October 25–November 19, 1921), was registered with the Secretariat on December 15, 1939.

### **Convention Concerning Night Work in Bakeries**

#### *Sweden*

According to a circular letter from the League of Nations dated January 23, 1940, the instrument of ratification by Sweden of the Convention Concerning Night Work in Bakeries, adopted by the International Labor Conference at its seventh session (Geneva, May 19–June 10, 1925), was registered with the Secretariat on January 5, 1940.

According to information received from the League of Nations the following countries have ratified the convention: Bulgaria, Chile, Colombia, Cuba, Estonia, Finland, Ireland, Luxembourg, Nicaragua, Spain, Sweden, and Uruguay.

## **TELECOMMUNICATIONS**

### **North American Regional Broadcasting Agreement**

The American Embassy at Mexico City has reported to the Department of State that the

decree which gave to the North American Regional Broadcasting Agreement the approval of the Government of Mexico was published in the *Diario Oficial* of February 15, 1940, and that no reservations have been made by Mexico. It is added that it was expected that the Government of Cuba, as the depository Government, would be notified by telegraph on February 16, 1940.

The North American Regional Broadcasting Agreement was signed at Habana, Cuba, at the conclusion of the First Inter-American Radio Conference on December 13, 1937. It was signed by representatives of Canada, Cuba, the Dominican Republic, Haiti, Mexico, and the United States.

The agreement was not to become effective until ratified by Canada, Cuba, Mexico, and the United States. The ratification by Mexico is the last required to make the agreement effective and makes possible the necessary engineering measures for making the North American Regional Broadcasting Agreement operative.

## ***Publications***

### **DEPARTMENT OF STATE**

Diplomatic List, February 1940. Publication 1429. ii, 83 pp. Subscription, \$1 a year; single copy, 10¢.

Interchange of Publications: Convention between the United States of America and Other American Republics.—Signed at Buenos Aires December 23, 1936; proclaimed by the President November 15, 1939. Treaty Series No. 954. 18 pp. 5¢.

U. S. GOVERNMENT PRINTING OFFICE: 1940

For sale by the Superintendent of Documents, Washington, D. C.—Price 10 cents - - - - Subscription price, \$2.75 a year

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